FISHERIES

A Policy for Nova Scotia

1989

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Why a New Policy Document

The 1980 Nova Scotia Fisheries Policy document marked the first time a government of our Province produced a comprehensive public statement on fisheries policy. The intervening years have seen the industry evolve significantly, an evolution which has caused the Nova Scotia Department of Fisheries to review its policy and program development.

To understand fully the implications of the 200 mile Economic Zone, the imposition of sector management, introduction of the Enterprise Allocation concept, settlement of the Georges Bank boundary, growth of the aquaculture sector, delegation by the federal government to Nova Scotia of the responsibility for trout administration, and a host of other significant changes make it not only appropriate, but indeed entirely necessary, to undertake a thorough revision of the policy document.

In so doing, it is the intention of the Government of Nova Scotia to ensure that the people of this Province – and especially those whose livelihoods are dependent on this vibrant, vital industry – have fishery-related government policies presented in a convenient format.

Fisheries policies have been developed in consultation with fishermen, processors, plant workers, wholesalers, retailers, consumers, in fact representatives of all those having an interest in the industry. It is essential that these policies, once adopted, are readily available to all Nova Scotians.

Finally, we must identify the purpose of these public policies: those who have a stake in the fishery must know what the rules are so they can make decisions and plan for the long term as well as the short term with some degree of security. The evidence of good policy is the best assurance government's shareholders (namely, the taxpayers) have that their investment is wisely made and is secure.

John G. Leefe

The Nova Scotia Fishery: A Perspective

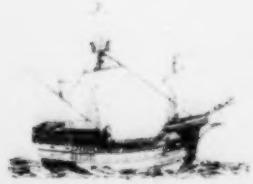
Nova Scotia's fishery is deeply rooted in the story of human occupation in our corner of North America. When the great ice sheets were melting, and the earliest inhabitants spread across the land that was then a dry Scotian Shelf, they looked to the sea and to the icy cold rivers for sustenance. These and successive peoples came and went until most recently the Micmacs became predominant in a land and climate much similar to that which we enjoy today. Ice fishing in winter, salmon fishing in spring, gathering shellfish in summertime, eel wier fishing in fall, they pursued what was then – and continues to be – two thousand years later, a hunting and harvesting exercise.

The search for new fishing grounds and valuable resources, in turn generating trade and territorial ambition, brought a succession of Europeans to what they deemed the New World. Basques, Bretons, Portuguese, Spaniards, Englishmen and Frenchmen found one thing in common – profit was to be realized from the abundant fishery, especially the cod. Thus, an emerging Western Europe flexing its muscles on the threshold of modern times began encroaching on the fishing banks, then the shores and the river estuaries of the newly discovered land. Vying for a greater share of the resource, some came to realize that land bases provided a better and more reliable security, so that summer fisheries soon turned into seasonal fisheries and seasonal stations eventually became permanent communities. Such was the powerful attraction of the North Atlantic fishery.

From these early settlements in Nova Scotia, especially Canso and Louisbourg, has grown a tradition of living by the sea and from the sea. Later immigrants, the Acadians of Clare and Cheticamp, the Germans of Lunenburg, the New Englanders of Liverpool and Cape Sable Island and the Scots of Pictou, have all contributed to the growth of what is today a profitable and internationally competitive industry. We Nova Scotians can take pride in our world class fishery. We are, after all, the leading seafood exporting province in the leading seafood exporting nation on the globe.

Why have we been so successful? In part, it is an accident of geography that gratuitously has placed us adjacent to numerous fishing banks, has provided us with a temperate climate and populated our waters with over two dozen species of commercially valuable fish stocks. We have, however, been successful for other reasons as well.

Nova Scotians are the traditional deep water fishermen of Atlantic Canada. From the New Jersey swordfishery to the scallop grounds of Cumberland Sound on Baffin Island, over 27 degrees of latitude and 1600 nautical miles of ocean, we have left and continue to leave our mark. Nova Scotia's fishing industry has consistently been on the cutting edge of resource exploration.



Certainly no less important is Nova Scotia's capacity for coming to grips with new technology and the ability to adapt it to our purpose rather than trying vainly to stem an inevitable tide. From single hand line to dory fishing; from basic Cape Island boat to sophisticated, efficient inshore dragger; from beam trawler to side trawler; from stern trawler to factory freezer trawler; we have come to control our own destiny by grasping and mastering new methods, new designs and new technology. With purpose, we have made all these things part and parcel of our business.

Business of course, is at the very heart of our fishery. We have been successful because we have pursued the fish trade and trade is the key. Fresh fish, frozen fish, salt fish, canned fish, scallops and mussels, oysters and clams, lobster and crab, a seemingly endless variety has given Nova Scotians the opportunity to gain market access to the world. Today 85 percent of all we produce goes to the international market. We are one of the world's greatest fish exporters.

The importance of the fishery to our economy cannot be overstated. It accounts for one-third of our exports, outstripping all other industrial sectors. It provides employment to nearly 16,000 fishermen and over 9,000 fish plant workers in over 350 licensed processing facilities. These vary in size from a few people to one of the largest fish processing plants in the world – located in Lunenburg. It also creates some 3,000 jobs in vessel construction, repair and related sectors and provides opportunities to suppliers of everything from netting twine to groceries. With all its diversity, the fishery is the lifeblood of 200 Nova Scotia communities and helps to assure the continuation of a very special lifestyle in this Province by the sea. Not only is it big business, it is the biggest business.

We have weathered change, we have bent it to our will. We are secure in the knowledge, accumulated over centuries of experience, that the fishing industry can survive only if it is able to pay fair wages to its workers and turn a reasonable profit for its investors. It continues to be a prime social and economic cornerstone of our Province. It remains essentially what it was millenia ago, one of man's great hunting and harvesting resources.

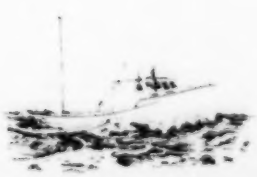
Table of Major Species

Live Weight Landings and Value for 1987

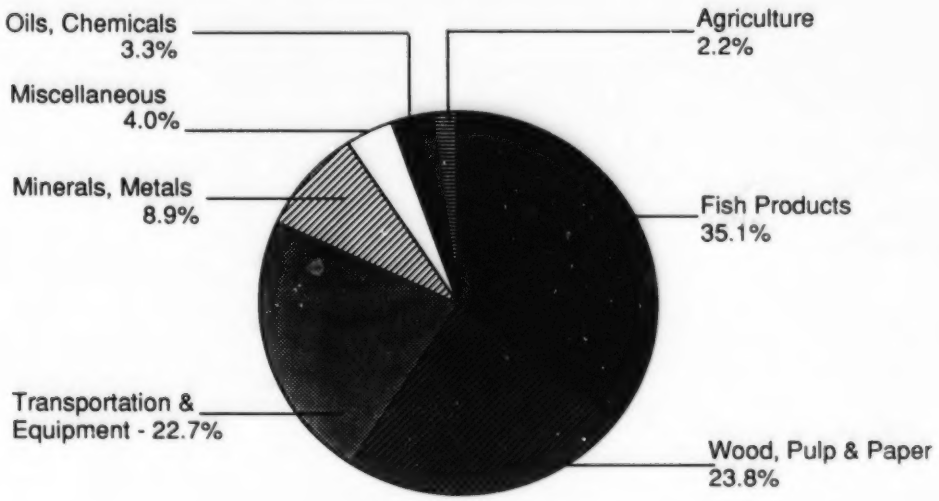
(Listed in Descending Order of Value)

Species	**Value** ($,000)	**Landings** (Metric Tons)
Lobster	160,341	18,423
Cod	120,747	132,493
Scallops	83,463	66,295
Haddock	32,212	23,801
Pollock	23,534	42,261
Herring	18,868	98,392
Flounders	16,316	16,928
Hake	11,390	15,245
Redfish	11,286	34,220
Halibut	9,580	1,776
Crabs	7,396	2,581
Shrimp	7,328	2,578
Swordfish	6,685	948
Cusk	3,519	3,949
Clams	2,208	2,614
Mackerel	1,821	5,242
Other	7,512	25,723
TOTAL	524,206	493,469

Mollusc & Crustaceans	261,628	92,773
Groundfish	232,053	275,056
Pelagic & Estuarial	29,412	108,121
Other	1,113	17,519
TOTAL	524,206	493,469



Nova Scotia's Export Values According to Industrial Sectors
1987



	($,000)	
Fish Products	722,594	(35.1)
Wood, Pulp & Paper	488,828	(23.8)
Transportation & Equipment	466,455	(22.7)
Minerals, Metals	183,195	(8.9)
Miscellaneous	80,422	(4.0)
Oils, Chemicals	68,625	(3.3)
Agriculture	44,855	(2.2)

LANDED VALUE . . . . . $524.1 million
EXPORT VALUE . . . . . $720.1 million*
MARKET VALUE . . . . . $995.8 million**

* This figure represents a preliminary value
** This figure represents an estimated value

Jurisdiction

Jurisdiction over the fishery resource and other matters relating to this industry is defined in the British North America Act and the recent Constitution Act of 1982.

Accordingly, the Government of Canada has jurisdiction over:

— management of the fishery resource, specifically as it relates to the conservation and protection of this common property resource "in the wild";

— trade and commerce, both international and interprovincial;

— navigation, shipping and public harbours.

The provinces have jurisdiction over:

— private property, including the proprietary fisheries;

— the regulation of contractual relations and activities dealing with fish as commodities within the province;

— the education and well-being of those in the industry;

— the economic development of the industry.

Based on its authority, the responsibilities of the federal government include:

— fisheries research and development;

— management of the marine fisheries including the setting of quotas and seasons, allocation of quotas, licensing of fishing vessels, enforcement of regulations;

— protection of fishery habitat;

— fish and plant inspection for international or interprovincial trade;

— public harbours and facilities.

Complementary to the federal role, the Nova Scotia government assumes responsibility for:

— fisheries training;

— industrial development and financing;

— development and regulation of aquaculture;

— delegated administration of selected fisheries;

— in-province plant inspection and fish buyer licensing.

Although the federal government has primary jurisdiction over the fisheries resource, provincial governments have a major responsibility for the economic well-being and development of the fishing industry itself, and of the people involved. Close co-operation is therefore necessary between the two levels of governments since it is seldom possible to separate resource management from economic development.

The relationships between the two levels of government and the industry have become more complex and controversial in recent years, particularly in the area of resource management. This is largely due to increasing federal regulations aimed at controlling the socio-economic direction of the industry and at protecting the resource. In response to these trends, provinces and various sectors of the industry have striven to influence federal resource management decisions.

Nova Scotia deems it essential that the federal government retain exclusive jurisdiction over management of the marine fisheries, especially for stocks which migrate or which are harvested by fishermen from several provinces. Viewed as a "Canadian resource", the marine fisheries must not be subject to trends towards provincial quota allocations, provincial "territorial waters" or undue barriers to the mobility of fishing fleets. In addition, shared jurisdiction between provincial and federal governments is not desirable. The views of the provinces however, must be considered in the management of these fisheries stocks, especially regarding socio-economic matters.

A preferred alternative to shared jurisdiction is the delegation of full administrative responsibility for certain non-migratory species to provinces. Provincial management should be considered for sedentary species (i.e. clams, sea plants) located in waters generally accepted as being within the provincial domain such as estuarine or inter-tidal waters.

Inland fisheries is another sector appropriate for provincial administration because it is generally agreed that fresh water species do not migrate between provinces. Through a 1982 federal-provincial agreement, Nova Scotia received authorization to manage its trout fishery - an authorization which could be expanded to include other fresh water species. In 1986, the Executive-Council of the the province assigned the total responsibility for inland fisheries management to the Department of Fisheries.

In the 1986 Canada-Nova Scotia Agreement on Aquaculture, the federal government acknowledged provincial authority to administer aquaculture licenses and leases and the authority to assist in the development of this sector, while setting aside questions of jurisdiction. The federal role in aquaculture focuses on research and regulations relating to fish diseases.

The legislative mandate of the Nova Scotia Department of Fisheries is found in:

1. The Fisheries Act

Provides general authority for programs and activities to improve the fisheries, such as training, industrial development and marketing. Pursuant to this act are the Fish Inspection and Fish Buyers Regulations.

2. The Fisheries Development Act and Regulations

Authorizes the activities of the Fisheries Loan Board.

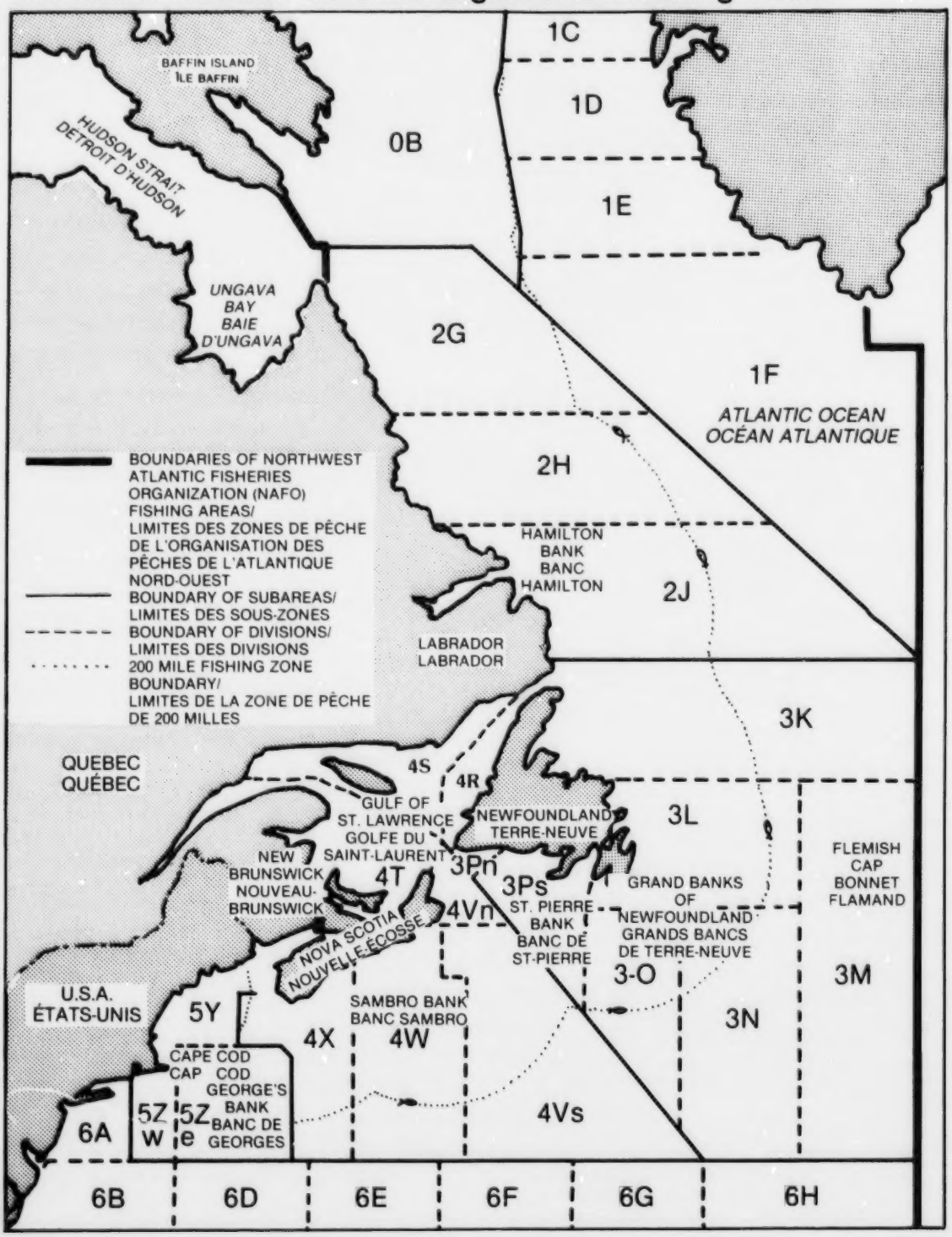
3. The Aquaculture Act and Regulations

Provides property rights to those with aquaculture leases and defines conditions necessary to receive and hold licenses and leases.

4. The Sea Plant Harvesting and Irish Moss Acts

Provide for the issuance of licenses for the harvesting of sea plants in designated areas and for the regulation of such harvesting.

Northwest Atlantic Fisheries Organization Fishing Areas



General Policies and Development Objectives

Departmental policies and objectives must represent all aspects of the fishery, reflecting a reasonable balance of economic, social and recreational interests. The pursuit of purely economic objectives may result in undue social disruption and concentration of wealth. Overemphasizing social objectives and stability however, can result in a non-competitive and unprofitable industry. Industry must be allowed to grow and profit, while communities traditionally involved with the fishery continue to benefit from the resource.

Given these considerations, seven broad policies illustrate the province's view of how best to serve the varied interests of the fishery.

1. The fishing industry must be internationally competitive, financially self-supporting and a net contributor to the provincial economy. The industry should not be burdened with the responsibility of alleviating social problems.

2. The fishery should offer a prosperous way of life. At the same time, maximum participation in the industry must be encouraged both in jobs and diversity of ownership and must be consistent with resource availability and marketability.

3. All participants must have reasonable access to the resource and its resulting economic benefits. This includes inshore and offshore fishermen, aquaculturists and plant workers, and more than 200 Nova Scotia communities which depend totally or partly on the industry for their livelihood.

4. The industry must consist of a diversity of private interests varying in size, geographic location and ownership. A mix of large and small fishing vessels, processing plants, enterprises, communities and services will help to ensure maximum economic benefit and the stability of the industry.

5. The fishery must be viewed as an integrated whole. Harvesting, processing, distribution and marketing are closely inter-related and play equally essential roles in the industry. Policies must take all of these aspects into consideration.

6. The small port and semi-rural character of much of our province is deemed a desirable quality by Nova Scotians and must be preserved. Priority will be given to maintaining existing jobs, fishing communities and traditional life styles. At the same time, the province will continue to encourage and support technical innovations or developments which display clear advantages in economic return, market access and resource conservation.

7. The fishing industry must be owned and operated by the private sector. Government involvement in the fishery should be limited and should reflect its responsibility to:

— protect the resource;

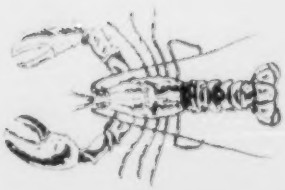
— protect the interests of the Province;

— create a suitable environment for investment;

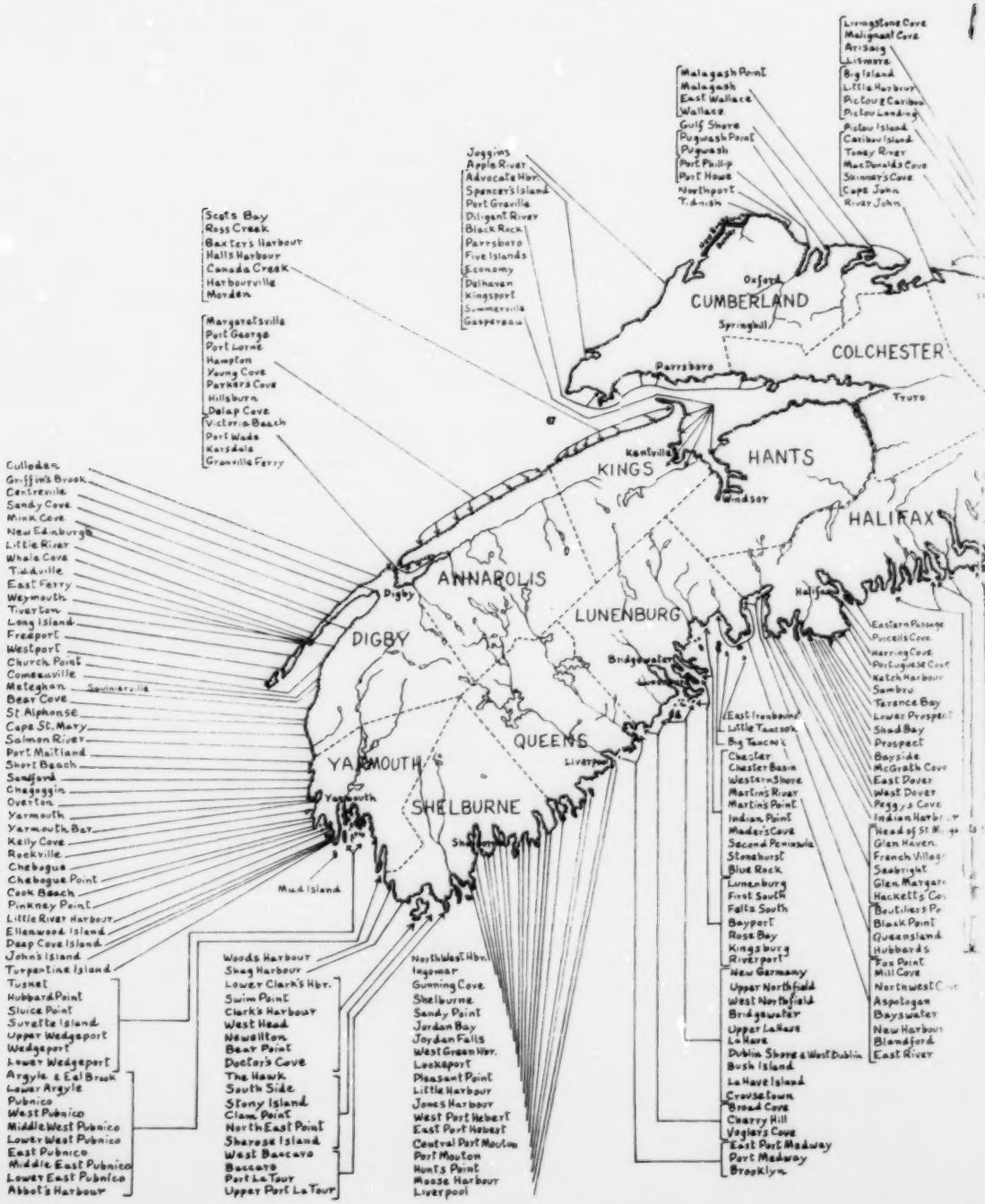
— protect against monopoly conditions;

— assist in maintaining balance in the industry.

Any government involvement must also be based on consistent long term policies which are more concerned with economics than politics.



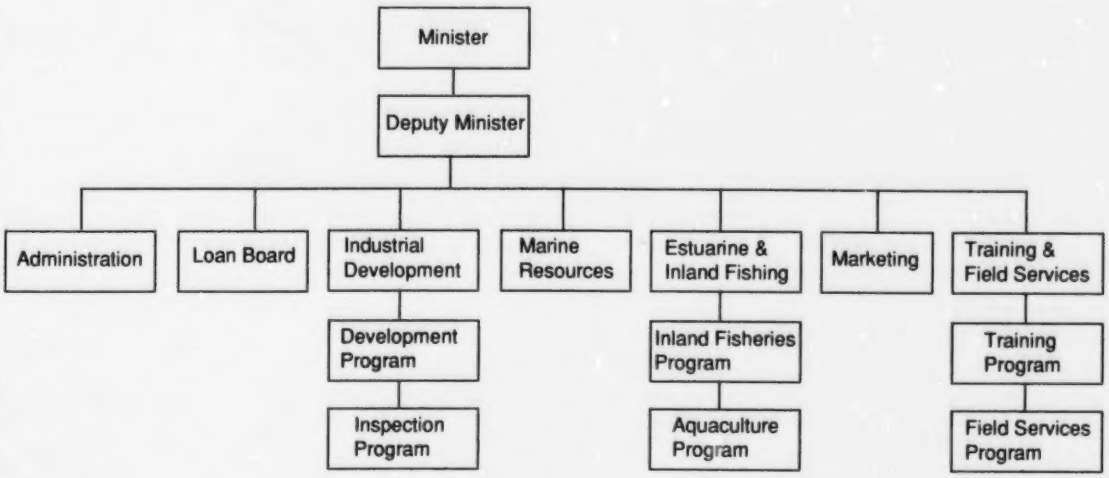
General Location of Fishing Ports in Nova Scotia



Chaticamp
La Pointe
Grand Etang
St Joseph du Moine
Cap Le Maine
Margaree Beach
Ste Rose
Margaree Forks
Broad Cove Marsh
Broad Cove
Inverness
Mabou Mines
Mabou Harbour Mouth
Murphy Pond
Port Hood
Little Judique Harbour
Little Judique Ponds
Maryvale
Mackay Point
Judique North
Judique
Judique South
Creignish
Troy
Port Hastings
Pleasant Bay
South West Margaree
Inverness
INVERNESS
VICTORIA
Bay St Lawrence
Dingwall
White Point
New Haven
Neils Harbour
North Ingonish
Ingonish Centre
Ingonish Beach & S. Ingonish
Wreck Cove
Briton Cove
Little River
Sydney
CAPE BRETON
Louisbourg
South Haven
Jersey Cove
North River Centre
Englishtown
New Campbellton
Big Brass d'Or
Point Aconi
Alder Point
Sydney Mines
North Sydney
Georges River
South Bar Sydney R
New Waterford
Lingan
Place Bay
RICHMOND
Antigonish
ANTIGONISH
PICTOU
GUYSBOROUGH
Dundee
Louisdale
Poulamon
Port Royal
West Arichat
Arichat
Cape Auget
French Cove
Samsonville
Grand Greve
L'Ardoise
Chapel Cove
L'Ardoise West
Rockdale
D'Escousse
Poirierville
Rocky Bay
Boudreauville
Petit de Grat
Little Anse
Donkin
Port Morien
Homeville
Wadden Cove
Main a Dieu
Louisbourg
Baddeck
Gabarus
Bucklaw
Washabuck
Iona
Grand Narrows
Big Harbour Island
Orangedale
Malagawatch
Hay Cove
Fourchu
L'Archeveque
Grand River
Port Michaud
River Bourgeois
Janvrin Harbour
St Francis Harbour
Dorts Cove
Cooks Cove
Queensport
Half Island Cove
Canso
Dover Harbour
Little Dover
Cole Harbour
Port Felix
Whitehead
Chedabucto Bay
Larrys River
Torbay
New Harbour
Coddles Harbour
Drum Head
Seal Harbour
Goldboro
Isaac's Harbour & Country Harbour
Fishermans Harbour
Port Bickerton
Bickerton West
Port Hilford
Wine Harbour
Sonora
Sherbrooke
Little Liscomb
Liscomb
Spanish Ship Bay
Liscomb Mills
Marie Joseph
Ecum Secum
Ecum Secum Bridge
Mitchell Bay
Necum Teuch
Moser River
Musquodoboit Harbour
Harrigan Cove
Quoddy Inlet
West Newdy Quoddy
Port Dufferin
Beaver Harbour
Sheet Harbour Passage
Sober Island
Sheet Harbour
Mushabooom
Spry Bay
Spry Harbour
Popes Harbour
Tangier
Pleasant Harbour
Murphy Cove
Lower Ship Harbour East
De Bay Cove
Little Harbour
Owls Head
Ostrea Lake
West Jeddore
East Jeddore
Pleasant Point
East Petpeswick
West Chezzetcook
Head of Chezzetcook
East Chezzetcook
Three Fathom Harbour

Departmental Structure and Duties

The Nova Scotia Department of Fisheries is organized into seven divisions as illustrated below:



Each of these divisions has specific responsibilities:

1. The **Administrative Division** provides administrative support to the entire department including such common services as finance (budgeting, accounting), personnel and inventory management, information services, statistics, economics and general office services.

2. The **Fisheries Loan Board** provides and administers loans and loan guarantees for the fishing industry, specifically for:
— new and used fishing vessels;
— engines, deck equipment and electronics;
— vessel conversions;
— aquaculture.

3. The **Industrial Development Division** administers two major programs:

(a) The Development Program, which:
— provides cost-sharing incentives for industry to upgrade fishing vessels, harbour infrastructure, shore based facilities and processing plants with proven technology;
— supports development and demonstration projects as a means of introducing new and/or improved technology to the industry;
— provides engineering services to other divisions of the department.

(b) The Inspection Program, which:
— oversees the administration of the Fish Inspection and Fish Buyers Regulations.

4. The **Marine Resources Division** has a three-fold responsibility:
— to represent the interests of the province on federal resource management committees, international negoti-

ations and by direct lobbying of the federal Department of Fisheries and Oceans;

— to undertake limited biological research in areas of specific provincial interest;

— to act in the interest of the Nova Scotia fishery on offshore oil and gas committees.

5. The **Aquaculture and Inland Fisheries Division** administers two programs:

(a) The Inland Fisheries Program deals with:

— the management of the inland fisheries resource including the collection of biological data, development of regulations and encouragement of public participation;

— the operation of trout hatcheries and stocking of public sites with juvenile trout.

(b) The Aquaculture Program focuses on:

— the administration of aquaculture licenses and leases;

— the provision of extension services and technical advice to the private sector;

— the sale of juvenile shellfish and finfish to aquaculture operations until private hatcheries can supply the need;

— research and development.

6. The **Marketing Division** assumes the responsibility for:

— promoting seafood through displays, trade shows and printed material;

— providing market information to Nova Scotia exporters and foreign buyers;

— conducting market and trade related studies or investigations;

— organizing seafood education programs for retailers, restaurants and distributors.

7. The **Training and Field Services Division** has a two-fold responsibility:

(a) to provide training programs at the Nova Scotia School of Fisheries in Pictou and shorter "extension" programs in fishing communities throughout the Province. Courses are offered in navigation, engineering, fishing gear technology, safety, business practices and quality control.

(b) to operate the Field Services Program which provides for fishery representatives whose responsibilities include:

— keeping fishermen, plant owners and others informed about department programs;

— keeping department staff informed about industry developments;

— acting as field representatives for many of the department's programs;

— providing assistance to resolve local fishery issues.

Marine Resources

Nova Scotia supports exclusive federal management of the marine fishery resource. The province believes however, that it must have the opportunity to express its views.

The objective of fishery management must be to provide an economically viable source of employment for professional fishermen and others active in or dependent upon the industry, while maintaining fish stocks in a healthy state for future users.

The fishery must be viewed as a "Canadian resource" and there should be no trends towards the claiming of provincial territorial waters. As a general tenet, fishermen should retain the freedom to fish in the area of their choice. Resource allocations should therefore, not be determined according to the home ports of the fleets. Exceptions include fishing activities where area restrictions have been traditional, such as the lobster fishery.

There should be a planned phasing out of foreign fishing within Canada's 200 mile fishery jurisdiction. In keeping with efforts to conserve the resource, Canadians should harvest, process and market as much of the fishery within the 200 mile zone as is economically feasible and practicably possible. It is therefore, the view of the Province that:

— there should be no allocations of non-surplus fishery resources to foreign nations;

— foreign nations should only be permitted to fish surplus resources within the Canadian zone if they provide appropriate economic benefits to our fishing industry, in addition to cooperating within the Northwest Atlantic Fisheries Organization;

— Canadian companies should not be allowed to charter foreign vessels to harvest Canadian resources except in joint ventures for developmental fisheries during limited periods of time;

— Nova Scotia fishermen should be permitted to sell catches of some species to foreign nationals if Canadian companies, operating under conditions not less favorable than those extended to foreign nationals, do not purchase the catches.

Provincial views affecting licensing policies are:

— Nova Scotia supports limited entry to the fishery;

— the number of participants must be consistent with the availability and marketability of the resource, while allowing those already in the industry to realize a fair return on their labour and capital;

— limited licenses should be diversified and widespread with preference given to fishermen operating their own vessels;

— licensing policies should not discriminate against any sector of the fishing industry. Individuals or single companies however, should be discouraged from acquiring numerous licenses;

— to be eligible for fishing licenses, fishermen should possess basic qualifications attained through training and experience. Retention of such licenses should require an established minimum level of actual fishing activity.

The enterprise allocation or company quota approach to fisheries management is endorsed and supported for those fleet sectors where it can be effectively administered. Some competitive aspects of the fishery however, should be maintained so as to encourage individual initiative, efficiency and technical innovation.

The Province strongly supports the development of alternatives to the current quota management system. Such alternatives should:

— simplify fishing plans which are now too complex and impractical;

— gain industry support and lead to more self-regulation;

— result in more accurate information on quantities and locations of catches.

Destructive fishing practices, such as catching immature fish and discarding fish at sea, must be further discouraged. This can be achieved through constructive measures including:

— incentives encouraging the use of hook and line fishing techniques;

— regulations prohibiting landing of undersized fish;

— area closures during spawning or when there exists an abundance of immature fish;

— use of square mesh.

The harvesting sector should be encouraged to focus on maintaining and improving landed value rather than simply on achieving high catch levels. Year-round use of processing plants and onshore employment should also be encouraged. Measures aimed at achieving these objectives include:

— mandatory gutting and icing of groundfish at sea;

— improved storage onboard vessels;

— establishment of quotas by time period to avoid gluts in landings.

A major goal must be to reduce the conflict among the various sectors of the fishing fleet particularly the inshore, nearshore and offshore sectors. Corrective steps include allocating an appropriate portion of local stocks to the inshore fleet, or to smaller boats consistent with their needs and those of the local processing plants. It must also be accepted that there is a need for, and a major role to be played by, an offshore fleet in our fishing industry.

The development of new fisheries for non-traditional (e.g. silver hake) and underutilized (e.g. mackerel) species should be encouraged. Such development will further Canadianize the fisheries within the 200 mile zone, provide new economic opportunities and hopefully divert excessive fishing activities away from species already being fully harvested.

Fisheries regulations should be simplified, minimized and made enforceable. The fishery should be managed more by regulation and less by policy. Enforcement in all sectors must be even-handed and predictable. Imposed penalties must be at least equivalent to the potential benefits associated with the offense.

Industry should become more involved in matters of resource management by:

— participating in the planning of research cruises;

— allowing scientists to work onboard commercial fishing vessels;

— taking advantage of fishermen's potential to collect data.

In summary, the provincial strategy for achieving the policies described above are:

1. To represent the interests of the Nova Scotia industry in federally managed fisheries so that:

— our industry obtains fair and equitable access to the Atlantic Canadian resource;

— the fishery is managed in a practical and effective manner.

2. To manage those marine stocks, such as sedentary species in estuarine waters, which may be delegated to the province.

3. To conduct limited biological research on species which:
— have a low federal research priority (e.g. gaspereau);

— are of particular interest to Nova Scotia (e.g. clams);

— are situated within the provincial domain (e.g. sea plants).

The province may also conduct biological research to enhance the scientific expertise of its fishery staff in order to benefit the fishery clientele.

4. To represent fishery interests in matters relating to oil and gas exploration and other such developments which could disrupt the industry.

Inland Fisheries Resources

Nova Scotia's many fresh water lakes and rivers provide recreational enjoyment to some 200,000 Nova Scotians and visitors, while generating up to $20 million annually in spin-off economic benefits for tourism related businesses.

Departmental policies aimed at conserving and enhancing this fishery are:

1. Protection and enhancement of the resource through progressive management and stocking programs;

2. Preservation of native stocks where feasible;

3. Encouragement and development of public participation in protecting and enhancing this inland resource;

4. Investment of funds from the sale of fishing licenses into the inland fishery for the ultimate benefit of all recreational fishermen.

Departmental strategies to achieve these policies are:

— to manage the trout fishery through the establishment of five regions, each with its own advisory committee;

— to manage and develop other recreational fisheries as departmental resources may permit, such as sea-run trout, land-locked salmon, pickerel and bass;

— to encourage improved surveillance and enforcement of fishery regulations;

— to encourage public co-operation in the conservation of this resource by distributing education packages to public schools and providing information to the general public;

— to operate trout stocking programs which will provide an annual supply of fingerlings and yearlings to rural and urban lakes throughout the Province;

— to increase public participation in the enhancement of the resource through programs such as the distribution of trout eggs and fry to volunteer groups who "adopt" streams and who operate egg hatching facilities;

— to enhance the tourism benefits of the fishery by targeting programs in opportune areas.

Aquaculture

The aquaculture sector in Nova Scotia has grown significantly over the past few years. The province's extensive coastline offers many advantages for development, and commercial facilities are currently producing salmon, trout, mussels, oysters and Irish Moss. The bay scallop, sea scallop, quahaug and bar clam are also being evaluated to determine their potential for cultivation. Future aquaculture projects may involve the cultivation of other species including halibut and cod.

While the sector remains in its developmental stage, it offers the following advantages:

— a demonstrated potential for economic growth as seen in other countries;

— one of the few opportunities for expanding the fisheries, since most marketable stocks "in the wild" are now harvested at their maximum sustainable yield;

— a focus on species commanding high prices and with strong market demand;

— a continuity of supply and consistency of product quality;

— opportunities to use fish wastes and low value species as food for farmed finfish.

Aquaculture development must be based on sound economic principles. It should not be burdened with alleviating socio-economic problems in areas of high unemployment in the Province. To effect this:

1. Aquaculture enterprises will be eligible for financial and technical assistance under existing provincial and federal programs.

2. The sector should evolve into a balanced mix of large and small enterprises.

3. The role of the Province in aquaculture development will focus on:

— providing those engaged in aquaculture with property rights in the area licensed or leased and for the products being cultivated;

— establishing standards of water quality to protect consumers and maximize production;

— providing an economic and technical climate in which aquaculture may flourish.

4. Given the need for equitable sharing among competing users of coastal waters, the department will encourage public hearings, receive comments and mediate possible conflicts related to proposed aquaculture licenses and leases.

The department will assist aquaculture development by providing the following services:

1. Technical advice including:

— site evaluation for those interested in establishing aquaculture operations;

— information on hatchery facilities, growth technology, broodstock development and fish health.

2. The operation of an experimental aquaculture demonstration centre for:

— developing hatchery and culture techniques for a wide variety of species;

— evaluating and adapting species and technology developed elsewhere for local environmental conditions;

— offering training or demonstration programs for new entrants or current participants in the industry;

— providing seed or juvenile stock to aquaculture operations until private hatcheries can supply the needs.

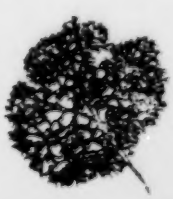
3. Support and implementation of technological development projects which are:
— small scale and directly applicable to the Nova Scotia environment;

— of common benefit to all sectors of the industry.

4. Provision of appropriate levels of financial support including:

— loans through the Fisheries Loan Board;

— cost shared financing to those with proven performance and who wish to increase production through mechanization and advanced technology.



Training Services

Training services will focus on ensuring an adequate supply of skilled manpower to meet the current and future labour needs of our fishing industry.

Skilled labour is required to replace fishermen leaving the harvesting sector and to fill production line and management positions in processing plants. At the same time, those already working in the industry must have the opportunity to upgrade their knowledge and skills. This training must satisfy a broad spectrum of industry needs including: technological upgrading, federal certification requirements for deck and engineering officers, the need for safe working practices, market demands for improved fish quality, processing and distribution, along with developments in new areas such as aquaculture.

The department will offer training in eight principal areas:

— upgrading for those in the industry;

— introductory programs for new entrants;

— accredited career orientation programs for high-school students;

— national certification programs for deck officers and engineers;

— training programs for the aquaculture sector;

— programs dealing with quality control and fish processing;

— adult continuing education related to marine fisheries.

This training wili be provided through the following programs:

1. Programs in navigation, engineering, net and gear technology, safety, refrigeration, hydraulics, care of the catch, quality control, dockside grading, ship management, small business management and aquacultural operations will be offered at the Nova Scotia School of Fisheries. Participants will also be prepared for Ministry of Transport certification and certification under the Fishermen's Record Book Plan.

2. Extension programs will be offered in coastal communities and will cover training requirements in harvesting and the processing sectors. Training in harvesting will focus on navigation, engineering, safety, fishing gear technology, hydraulics, refrigeration, small business management, care of the catch and dockside grading. Programs in processing will make use of a mobile unit to train new entrants and upgrade the skills of employed plant workers. The unit will be equipped with a wide range of teaching aids and will be used in conjunction with existing equipment in small and medium sized plants.

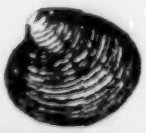
3. Consulting services in the field are designed to assist individual fishermen and small plant owners. The services will relate to fishing gear, deck lay-out, installation of new equipment, energy conservation and business practices.

4. The department will work with industry to develop new programs for deckhands, engineers and officers, as well as for plant workers and support staff.

5. The department will offer a pre-sea training program with core subjects to give young participants skills that will open employment opportunities both in the inshore and offshore fishery. Young people interested in building a career in the industry can consider career patterns offering a wide range of jobs.

6. Individual fishermen or companies receiving loans or other forms of financing will be required to meet standards which may necessitate training.

7. Training programs will also be developed and provided for fishermen outside Nova Scotia and Canada. These programs are usually funded by development agencies such as the Canadian International Development Agency (C.I.D.A.) and the International Centre for Ocean Development (I.C.O.D.).



Industrial Development

The objectives of the Industrial Development Division are:

— to derive maximum economic benefits from the fishery resource;

— to develop and upgrade fishery infrastructure and common user facilities in fishing communities;

— to improve safety and working conditions;

— to encourage and assist technological innovation and improvements;

— to contribute to the development of new resource and product opportunities;

— to maximize economic benefits in supporting and related industrial sectors.

Policies relating to each of these objectives are:

1. Better use of the resource base. Opportunities for economic development will come principally from:

— improvements in fish quality, which will result in higher-valued products and stronger market demand.

— waste utilization, where opportunities still exist for processing fish wastes into useful products such as animal feeds, fertilizers and food;

— more value-added processing to reduce the amount of whole, unprocessed fish being exported from the Province;

— improved fishing methods to reduce the harvesting of immature fish and the dumping of fish at sea.

2. The development and upgrading of fisheries infrastructure in fishing communities. Priority will be given to shared facilities where fishermen or companies are directly involved in planning and the provision of some labour and capital. Since the federal government provides public harbour facilities, the province will focus on the complementary development of privately owned infrastructure including wharves, vessel haulouts, gear sheds and baiting facilities.

3. Departmental support of industry initiatives to upgrade equipment for improved safety and working conditions. Programs will focus on the safety of small fishing vessels and will be complementary to regulatory programs of departments such as the federal Ministry of Transport.

4. Departmental support for industry to develop and adopt new technologies. Particular emphasis will be placed on:

— assisting small companies, which usually have less access to technical expertise;

— technology aimed at reducing operating costs such as energy.

5. Expansion of fishing opportunities by developing commercial fisheries for:

— non-tradition species such as silver hake and dogfish;

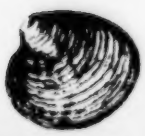
— under -utilized stocks such as mackerel.

6. Support of industries which provide fishing equipment and services. Where feasible, consideration will be given to fishery-related projects offering new product and manufacturing opportunities.

The strategies to achieve the policies described above are:

1. Provision of financial incentives for fishermen and processors to upgrade equipment and facilities for specific reasons including improved quality and safety. Due to overcapacity in the processing sector, such incentives will not be available for the construction of new or expanded fish processing facilities to produce traditional products.

Priority will be given to cost sharing of innovative or higher risk projects which provide common benefits to fishing communities. Funding for specific programs may be phased out after such investments have proven to be self-sustaining.



All areas of the Province will have equal access to departmental programs. Incentive programs however, will focus on small scale projects, which may be of more benefit to the inshore or nearshore fishery and to small communities.

An ongoing concern is the need to coordinate the large number of industry assistance programs administered by various federal and provincial departments.

2. Development and enforcement of the Fish Inspection and Fish Buyers Regulations to:

— protect Nova Scotia seafood consumers;

— implement regulatory policies such as minimum fish sizes;

— ensure that all those in the industry meet the same standards;

— help the industry protect itself from the possible injurious effects of a few irresponsible operators.

— improve the orderliness of dockside markets and improve statistical reporting.

These regulations are not in any measure aimed at restricting trade within the Province. The department will continue to work closely with other federal and provincial departments with related inspection responsibilities.

3. Support of smaller scale or shorter term technology development projects. Such projects will be conducted as much as possible in plants and on boats to encourage industry participation and to facilitate technology transfer. Projects will include the demonstration and evaluation of fisheries equipment in use elsewhere, but not yet introduced in this Province.

4. The department will provide technical assistance and advice as required by the industry.

Marketing

Over the past few years, consumer demand and prices for most seafood have increased. These market improvements can be attributed to increased consumption of seafood because of its association with health benefits and lifestyle trends, and the limitations on available stocks of traditional species. Uncertainties however, remain in the marketplace because of a number of reasons including a multiplicity of trade barriers, dependency on single markets for many products, shortages of raw materials, lack of markets for low valued or underutilized species, exports of whole, unprocessed fish and competition from other fishing nations, fish species and protein products.

Departmental policies on marketing are:

1. In primary markets, fishermen must receive fair and equitable prices for their catch. It is recognized that fish prices fluctuate and are dependent on a variety of factors including: the harvesting area, local costs of buying, transportation, variations in wholesale market prices, differences in services provided to fishermen by buyers and variations in fish size and quality.

2. Government should avoid direct involvement in the buying or selling of any fish or seafood product. The department will therefore provide industry with services such as market information and advice, generic promotional assistance and trade contacts.

3. Marketing efforts will be aimed at increasing seafood consumption in Nova Scotia and Canada through promotional activities and improvements in product quality and packaging design. Promotional programs will target consumers within the Province, the food service industry and the retail sector in North America, as well as importers and distributors in the international marketplace.

4. Markets will be developed for non-traditional and underutilized species.

5. Companies will be assisted in diversifying and reducing their dependency on single markets. Smaller companies, in particular those that export, will be assisted in accessing new markets. Innovative approaches will be developed to help companies enter difficult foreign markets.

6. The department will encourage and facilitate cooperative initiatives by industry to address market problems common to all. Strategies will be developed to deal with adverse trade actions such as countervail or anti-dumping initiatives by foreign countries.

Market programs to achieve the above policies include:

— providing market information and contacts to exporters in the Province and to potential outside buyers;

— organizing seafood demonstrations in the Province and at trade shows outside Nova Scotia;

— developing and distributing promotional literature;

— managing provincial participation in all seafood shows;

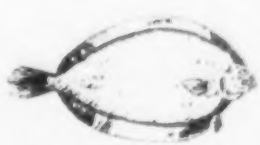
— conducting seafood training programs for retailers, institutions and restaurants;

— educating the general public and students in particular, on all aspects of our seafood and seafood industry;

— providing information to seafood consumers;

— participating in special promotional events which highlight Nova Scotia seafood;

— ensuring that the interests of the Province and our fishing industry are considered in government trade initiatives.



Fisheries Loan Board

Loans will be provided from the Fisheries Development Fund for the purpose of encouraging:

— the orderly replacement and upgrading of the fishing fleet, particularly in the inshore and nearshore sectors;

— the development of fisheries for underutilized or non-traditional species;

— the orderly development of aquaculture in the Province.

Loan funding is subject to annual budget considerations.

As an alternative form of support by the Fisheries Loan Board (particularly relating to the replacement of offshore vessels) loans made by approved lending institutions to approved borrowers may be provided with a partial guarantee, as a commitment from the Fisheries Development Fund.

Policies governing the provisions of loans or loan guarantees will include:

1. Priorities for loans will be established on the basis of several factors including: the age of vessels proposed for replacement, accidental damage to or loss of vessels, specific needs of fishermen, regional requirements, ensuring the economic viability of fishing operations or other factors as may be determined.

2. Satisfactory evidence must be provided showing that the vessel owner has the necessary licenses and relevant resource allocations, that the operator is qualified to operate the vessel properly, that the vessel is suitable for the intended purpose and that the loan can be repaid within the terms and conditions of the loan agreement or loan guarantee.

3. The replacement or upgrading of vessels may be carried out for the purposes of improving safety and working conditions, reducing operating costs, improving product quality or reducing resource waste. The primary purpose of the proposed vessel replacement or upgrading must not be aimed at increasing the overall harvesting capacity for species which are already adequately utilized.

4. Loans will generally not be approved if the vessel to be replaced is less than five years of age.

5. The proposed introduction of new harvesting technology such as factory/freezer vessels will require special analysis before any commitment of financial support will be considered.

6. All vessels must be constructed to standards acceptable to the Loan Board technical staff and in facilities approved by the Board.

7. Loans up to $20,000 may be approved by departmental staff. Loans over $20,000 and not exceeding $100,000 may be approved by the Loan Board. Those applications wherein total loans exceed $100,000 will, on the recommendation of the Loan Board, be considered by the Governor-in-Council for approval, alteration or cancellation.

8. Subject to compliance with the Fisheries Development Act and related regulations, the Fisheries Loan Board will establish, review and, when circumstances warrant, revise terms and conditions related to approval of loans and loan guarantees. While helping to ensure a healthy and viable fishing industry, with significant spin-off employment in boatbuilding and other support industries, emphasis will be directed toward having all loans administered and repaid in such a manner as to maximize economic benefits to the Province.